



Chlor-triazine Supply Chain Team Key Messages for Stakeholders

The Triazine Global Supply Chain Team (SCT) met in Greensboro, NC on March 6-8, 2007. The first 1 ½ days was a joint meeting with the SMOC SCT. The first 1 ½ days was spent reviewing common interests to the two supply chains: the commercial corn herbicide strategy including a 2020 view, ethanol from corn and it's effect on the SCTs as well as the CP business, packaging change opportunities to reduce costs and align to market requirements, the lean manufacturing initiative at St. Gabriel and a discussion around supporting the global Trillium project. This meeting also devoted time to determining/prioritizing key projects/activities for the future with emphasis on developing sustainable growth through innovation as well as cost reduction opportunities.

Following are some key points from the SCT meeting:

- We are working to better align our activities with the SMOC Supply Chain Team. We see many similarities that can help both teams. Klas Winter and Alan Camp will continue to align the teams to ensure we gain maximum opportunity across the two SCTs.
- Larry Gasper, Global T&P, gave an in-depth review of the bioethanol market including an economic picture around input costs. In addition he spoke about opportunities that are being pursued by the Seeds group with respect to enzymes. He also gave a good perspective on cellulosic bioethanol as well as other ethanol opportunities being developed.
- Incremental costing initiative has been a positive for maintaining volumes in key countries, specifically in APAC and LATAM. Although it is still too early to call it successful with respect to profitability, current view is that the initiative has somewhat stabilized volumes until cost reduction initiatives allow more profitable opportunities in these markets. Discussions around implementing the atrazine incremental costing for NAFTA as well as a similar initiative for simazine was also discussed at the meeting.
- Willy Maurer and Thomas Peyrachon presented a business update to the team including the 2020 Corn Herbicide Strategy. The presentation allowed the team to understand the initiative and goals of the business and how the SCT needs to be focused for the coming years.

- The LE TPC for atrazine for 2007 is \$1.31/lb. There was a significant improvement in raw material costs; however, a change in accounting for steam at St. Gabriel resulted in an \$0.05/lb increase in fixed cost. The team is reviewing options to reverse this steam cost for 2008, in addition to further reductions in other raw material and fixed costs.
- The team set the aspiration of achieving a cost of \$1.20/lb (\$2.64/kg) for bulk bag atrazine by the year 2009. The current standard is \$1.31/lb (\$2.89/kg).
- The ai manufacturing budget for 2007 is 115 MM lbs vs. LE of 111MM lbs.
- The team spent a significant amount of time reviewing the packaging used in the Triazine portfolio. Several initiatives have had a negative impact on cost over the past several years. Purchasing and Packaging Development have been reviewing the options available to reduce the cost of the package, i.e. stock natural bottle vs. proprietary bottle, brown kraft box vs. current white laminated box, unprinted end panels vs. current printed end panels, 3X safety factor on box vs. current 5X safety factor, etc. In all, there is an opportunity to reduce packaging cost on the 2X2.5 usg atrazine products by \$0.26/usg. The team is exploring the options, reviewing the implications and preparing to implement some changes for the 2008 sales season.
- Some retooling at St. Gabriel may be necessary to implement the packaging changes. These issues are also being analyzed.
- St. Gabriel is implementing Lean Manufacturing – a shop floor driven, waste reduction program. The ultimate goal is to reduce the amount of waste in the plant – resources, money, time, etc. Triazines will be part of this program starting in Q2.
- The Triazine SCT is supporting St. Gabriel in Lean Manufacturing activities and effort. St. Gabriel has engaged the plant population in these activities as well. We look forward to some key cost improvements in the future as we look to reduce waste within the cost structure.
- The Triazine team had a discussion around empowerment and the ability to change quickly. The team is frustrated with the fact that empowerment does not seem to be a strength in the organization and the team lacks freedom to operate and drive change quickly. We will continue to push for change.
- The team in cooperation with St. Gabriel is looking to rebrand St. Gabriel. A concerted effort will be made in 2007 to educate and excite Syngenta around the brand that is St. Gabriel.

The Team

- The Triazine SCT consists of the following members and the areas they represent:
 - Alan Camp – Global Product Supply Chain Management
 - Ayannah Chance – Global Supply Chain Planner
 - Mike Leblanc – Triazine Business Leader – St. Gabriel Manufacturing
 - Gayle Taylordean – Global Purchasing
 - Bob Wren – Global Finance
 - Dan Campbell – NAFTA Regulatory Affairs
 - Willy Maurer – Global Product Manager
 - Frank Knight – NAFTA Brand Manager
 - Kevin Gesse – NAFTA Corporate Alliance
 - Paula Deano – Quality, Change Management and Team Dynamics
 - Giulia Capuzzi – T&P – Product Chemistry
 - Klas Winter – GPSCM – SMOC/Mesotrione
 - Carroll Moseley – NAFTA Business Development

- If you have any questions, please contact any of the team members.

Alan Camp
April 2, 2007